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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF THE GAMBIA

Indigenous Business Advisory Scheme
(Supplementary Assistance) (GAM/74/013)

Report of the Administrator*

Date of present approval:	February 1979
Starting date of project activities:	March 1976 (including previous assistance)
Planned completion date:	June 1981
To be executed by:	International Labour Organisation (ILO)
Government implementing agency:	Ministry of Economic Planning and Industrial Development (MEPID)
Estimated cost of assistance planned under present approval:	$232 400[1/]
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. Unemployment poses a serious impediment to the realization of the goals and targets of the Gambia's National Development Plan. As the role of the modern sector as a source of employment is still marginal, an increasing number of school leavers is seeking employment in the informal sector. The Government therefore wishes to increase the over-all absorptive capacity of the informal sector by increasing productive opportunities and rewards for work, and to reduce the existing disparity of income between the urban and rural areas by concentrating on growth in the rural areas.

1/ Including the assistance previously approved, the total assistance now amounts to $438,937.

* In accordance with General Assembly Resolution 2688(XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

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2. For this reason UNDP assistance was approved for this project in 1976. Originally it was conceived as a pilot project to test the feasibility of an Indigenous Business Advisory Scheme (IBAS). Although the project has achieved reasonable success, much remains to be done to attain better co-ordination of the IBAS activities and to extend its activities to further indigenous businesses. For this reason Supplementary Assistance has now been approved and the project duration has been extended by three years. The general aim of the present extension is mainly to expand IBAS services into the rural areas, the wholesale/retail sector and to increase the participation of women in IBAS activities and outputs.

3. The project is being carried out in association with the Rural Vocational Training Section of the UNDP/ILO-assisted Vocational Training Project (GAM/74/014) and a United Nations Capital Development Fund project (GAM/74/C.34) which will guarantee, where necessary, 75 per cent of business loans made by commercial banks to assist the informal business sector. The sector is also being assisted by the extension of considerable credit from the International Bank for Reconstruction and Development (World Bank) to IBAS. The International Trade Center Geneva, also assists IBAS in its activities related to the export of handicrafts. In this connexion IBAS helps a large number of women through the Gambia Artisans Marketing Co-operative in their batik and tie-dying activities.

II. Objectives and activities

4. The immediate objective of the project continues to be to strengthen the Indigenous Business Advisory Scheme in its efforts to help local businessmen involved in the informal commercial and manufacturing enterprises by enabling them to take full advantage of existing facilities, technologies and techniques appropriate to the survival and expansion of their particular businesses. The methods and techniques for the systematic assessment of the feasibility and viability of indigenous informal enterprises, for conducting surveys and collecting relevant data in respect of marketing, operations, finance and management will be refined in order to establish priority needs and provide advice accordingly. In collaboration with the United Nations Capital Development Fund (and possibly the World Bank), the project will secure lines of credit for individual informal entrepreneurs or co-operatives through local participating banking institutions as part of the Loan Guarantee Programme.

III. Inputs

5. UNDP will make available, through the Executing Agency, the services of a project manager, chief technical adviser, an associate expert and consultants. UNDP will also provide additional equipment and supplies as well as undertake the financing of short training courses within the region for the national advisers/trainees attached to IBAS.

6. To carry out the activities for which assistance has now been approved, the Government will inter alia continue to make available to the project office buildings (in Banjul and in the two rural outstations), counterpart staff and the operating and maintenance cost of all equipment, vehicles etc.

IV. Financial data

7. The expenditure components of the planned assistance are as follows:

	Previously approved $	Present approval $	Total approved $
Personnel	158 962	173 122	332 084
Training	17 000	20 000	37 000
Equipment	21 275	38 116	59 391
Miscellaneous	9 300	1 162	10 462
	206 537	232 400	438 937

8. The estimated total value, expressed in US dollars, of the inputs provided directly by the Government to the project is $124,900 in kind.